



SHEFFELS FARMS, Inc.

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March 3, 2011

Senate Energy and Telecommunications Committee

RE: HB 198

Dear Committee Members,

We oppose HB 198 for the following reasons.

Eminent domain laws should always consider the rights of Montana landowners. This particular legislation is obviously a quick fix to enable Montana Alberta Tie Ltd. the right to exercise the right of eminent domain. In negotiations, MATL has always been quick to point out their right to eminent domain, expecting the landowner to roll over and give up.

In years past, landowners were generally quite cooperative in granting easements, they knew power lines telephone lines, and pipelines were to the publics benefit. They knew payment received would never compensate for the costs, inconveniences, and depletion of property values associated with power poles. With privatization of transmission lines this mind set has changed.

Most would agree wind energy is important to help meet our energy needs. Now, wind energy promoters did not come to farmers and ranchers expecting something for nothing. They knew there had to be some mutual benefit. They were able to negotiate without eminent domain threats.

The same could have happened in the case of MATL's transmission line. Eminent domain should be available only as a last resort to qualified parties. Individual farmers and ranchers should not have to take on large corporations, or speculators.

Provisions that should be in a good eminent domain bill covering transmission lines:

- Follow a master plan for power lines (such as Western Area Power Administration Regional Transmission Studies)
- Be regulated by the Public Service Commission
- Easements received through eminent domain should have some minimum provisions
 - Non-exclusive easement, but subject to National Electric Code rules
 - Yearly rental per pole similar to wind farms (based on installed MW or similar)
 - Provision for non-payment of fees
 - Provision for inflation
 - Hold harmless clause

- Return of easement to landowner and removal of poles and foundations when line is decommissioned

Ms. Sarah Hamlin with MSU Extension Service has experience with wind energy agreements and would be a good consultant.

Enclosed is our initial comment to the U. S. department on Energy and Montana Department of Environmental Quality for background information.

Thank you,

Jim Sheffels

Enc.



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December 30, 2005

Mrs. Ellen Russell
Office of Electricity Delivery and Energy Reliability
U. S. Department of Energy
1000 Independence Avenue, SW
Washington, DC 20585-0350

Mr. Tom Ring
Facility Siting Program
Montana Department of Environmental Quality
P. O. Box 200901
Helena, MT 59620-0901

Re: Montana Alberta Tie Ltd. 230 kV Transmission Line

Dear Mrs. Russell and Mr. Ring;

Thank you for the opportunity to comment on the proposed Montana Alberta Tie Ltd. 230 kV transmission line. We attended an EA scoping meeting in December to learn more about plans and justification for this project. We would like to communicate our concerns in the following letter.

We farm near the south termination of this line just north of Great Falls. Naturally we are concerned with transmission lines that are located on our property as transmission lines lead to decreased efficiency of field operations, increased weed pressure and pose a considerable safety risk, not to mention the negative effects transmission lines have on property values. Additionally, we use GPS for machinery guidance and are concerned about signal interference caused by 230 kV and 500 kV lines. This is not only true for us, but for all farming operations along the entire transmission line route.

We certainly recognize that transmission lines are necessary. However, judging by the number of lines that already cross our land, and their destinations, there appears to be a lack of long term planning. For example there currently are two high voltage lines crossing our property that have destinations along the proposed corridor. This would be the third. When we asked MATL personnel present at the EA meeting why they didn't connect at the Cut Bank facility (the original plan developed by LECTRIX did terminate

in Shelby-near Cut Bank),¹ their answer was that the project was not economically feasible due to transmission tariffs encountered - not because the transmission capability wasn't available.

Some of our concerns that we feel need to be addressed are as follows:

- Canada, Alberta, in particular with their huge oil sands reserve has the potential to export large quantities of power.²
 - Is the proposed line adequate for future needs?
- There are some sizable proposed wind generation sites along the Rocky Mountain Front.³
 - Does this line have the potential to serve these sites?
 - Is Great Falls a proper transmission line termination point?
- Can a tie requiring OASIS bids and "firming" for transmission capability serve wind energy?
 - If it can, is there any capacity left for other sizeable importation or exportation of power?
 - Is MATL's line needed for these projects, or is it a hindrance - limiting currently available capability to serve new wind energy projects?
 - If this line limits capacity out of Great Falls, typically new projects would be required to fund additional transmission lines. New energy projects may be derailed because transmission lines with sufficient capacity are not in place.
- Will construction of this line preclude construction of another line along this same route? Another line would be the fourth.
- If another line along this route constructed, how should it be built?
 - 230 kV or 500 kV
 - Single pole as originally proposed⁴
 - Double pole as proposed to us is somewhat more obtrusive.⁵
 - Consider sharing existing transmission line poles
 - Will a tie be made to Glacier Electric Co-op at Cut Bank?
 - Apparently this tie is in question⁶
 - Glacier Electric Co-op interconnect is necessary for MATL to connect with the proposed 120 megawatt wind farm near Cut Bank.⁷

¹ The Alberta Montana Tie, A Rocky Mountain Power & LECTRIX LLC Project (predecessors of MATL) p.11

² Oil Sands Discovery Centre

³ Montana Alberta Tie, Ltd. Presentation to Montana Energy Summit October 18, 2005 p. 12

⁴ See Footnote 1 The Alberta Montana Tie, A Rocky Mountain Power & LECTRIX LLC Project (predecessors of MATL) p.13

⁵ Sheffels Farms, Inc. observation

⁶ Montana Alberta Tie Ltd. (MATL) and the Alberta Electric System Operator (AESO), Stakeholder Meeting: 16 November, 2005 p.6

- If the line is constructed, what additional facilities will be needed?
 - Reactive support⁸
 - Additional transmission lines⁵
 - Is the substation at Great Falls adequate for this as well as additional wind projects proposed along the northern Montana rocky mountain front?
- Who will bear the cost of needed additional facilities?
 - Glacier Electric co-op
 - Northwestern Energy
 - Ultimately Montana rate payers
 - Western Area Power Administration
 - Ultimately rate payers
- What is the real purpose of the MATL's proposed line?
 - Serve new power generation projects?
 - Generate income from the spot market potential?
 - Does this benefit Great Falls?
 - Does this benefit Montana?
- Examine the consequences of connecting the Alberta and US grids
 - Western Area Power Administration has studied transmission lines between Great Falls and Lethbridge as part of larger projects.^{9,10,11}

It appears no long term planning has specifically addressed this type of transmission line and all its implications. MATL's operation has an entirely different goal than Northwestern Energy. For example, Northwestern Energy would also like to make money, but typically utilities are in business for the long term. This may not be true for MATL's owner Tonbridge Power Corporation¹² whose principal asset is MATL.¹³ Tonbridge Power considers MATL an "ideal" candidate for an exit to an income trust.¹⁴ It appears that MATL's real reason for building this line is for profits derived from the spot market price differential between Alberta and the US. The "Valuation of the Proposed Montana Alberta Transmission Line," prepared by Lukens Energy Group for Montana-Alberta Tie, Ltd, makes no mention of wind energy transmission as a source of income.¹⁵

⁷ Cut Bank Pioneer Press, Lacy Gillespie, July 7, 2005

⁸ ABB Consulting System Feasibility Study, MATL, p.8

⁹ Western Area Power Administration, Montana-Dakotas Regional Transmission Studies, West Side Studies, see Project 2

¹⁰ Western Area Power Administration, Montana-Dakotas Regional Transmission Studies, West Side Studies, Project 2

¹¹ Western Area Power Administration, Montana-Dakotas Regional Transmission Studies, West Side Studies, Project 4

¹² Tonbridge Power Executes Letter of Intent to Increase Shareholding Interest by 35% to 100%

¹³ Press Releases Toronto, Oct. 17

¹⁴ Tonbridge Power Inc.

¹⁵ *Valuation of the Proposed Montana Alberta Transmission Line* by Lukens Energy Group

We urge you to give careful consideration to long-term transmission goals before approving a project of this type.¹⁶ Keeping in mind the interests of landowners, future power generation projects, utilities and the general public - is this line a real benefit to us, or a complication of the overall power pool? Plan and build for the future!

Thank you,

Sheffels Farms, Inc.

Jim Sheffels

John Sheffels

¹⁶ Rocky Mountain Area Transmission Study, September 2004